

**APPLICATION OF AND USE OF REVENUE FROM HOTEL
OCCUPANCY TAXES IMPOSED BY MUNICIPALITIES AND
COUNTIES**

CHAPTER 267

H.B. No. 1896

AN ACT

**relating to the application of and use of revenue from hotel occupancy taxes imposed
by municipalities and counties.**

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Section 334.001(4), Local Government Code, is amended to read as follows:

(4) "Venue" means:

(A) an arena, coliseum, stadium, or other type of area or facility:

(i) that is used or is planned for use for one or more professional or amateur sports events, community events, or other sports events, including rodeos, live-stock shows, agricultural expositions, promotional events, and other civic or charitable events, *provided that a facility financed wholly or partly with revenue from a tax imposed under Subchapter H is not, or will not be, primarily used for community, civic, and charitable events that are attended only by residents of the community;* and

(ii) for which a fee for admission to the events is charged or is planned to be charged;

(B) a convention center, a convention center facility as defined by Section 351.001(2) or 352.001(2), Tax Code, or a related improvement such as a civic center hotel, theater, opera house, music hall, rehearsal hall, park, zoological park, museum, aquarium, or plaza located in the vicinity of a convention center or facility owned by a municipality or a county, *provided that a related improvement for a facility financed wholly or partly with revenue from a tax imposed under Subchapter H must be in the vicinity of the convention center;*

(C) a tourist development area along an inland waterway;

(D) a municipal parks and recreation system, or improvements or additions to a parks and recreation system, or an area or facility that is part of a municipal parks and recreation system;

(E) a project authorized by Section 4A or 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes), as that Act existed on September 1, 1997; and

(F) a watershed protection and preservation project; a recharge, recharge area, or recharge feature protection project; a conservation easement; or an open-space preservation program intended to protect water.

SECTION 2. Section 351.001(2), Tax Code, is amended to read as follows:

(2) "Convention center facilities" or "convention center complex" means facilities that are primarily used to host conventions and meetings. The term means civic centers, civic center buildings, auditoriums, exhibition halls, and coliseums that are owned by the municipality or other governmental entity or that are managed in whole or part by the municipality. In a municipality with a population of 1.5 million or more, "convention center facilities" or "convention center complex" means civic centers, civic center buildings, auditoriums, exhibition halls, and coliseums that are owned by the municipality or other governmental entity or that are managed in part by the municipality, hotels owned by the municipality or a nonprofit municipally sponsored local government corporation created under Chapter 431, Transportation Code, within 1,000 feet of a convention center owned by the municipality, or a historic hotel owned by the municipality or a nonprofit municipally sponsored local government corporation

created under Chapter 431, Transportation Code, within one mile of a convention center owned by the municipality. The term includes parking areas or facilities that are for the parking or storage of conveyances and that are located at or in the vicinity of other convention center facilities. The term also includes a hotel owned by or located on land that is owned by an eligible central municipality or by a nonprofit corporation acting on behalf of an eligible central municipality and that is located within 1,000 feet of a convention center facility owned by the municipality. The term also includes a hotel that is owned in part by an eligible central municipality described by Subdivision (7)(D) and that is located within 1,000 feet of a convention center facility. *For purposes of this subdivision, "meetings" means gatherings of people that enhance and promote tourism and the convention and hotel industry.*

SECTION 3. Section 351.007, Tax Code, is amended to read as follows:

Sec. 351.007. **PREEXISTING CONTRACTS.** (a) If a municipality increases the rate of the tax authorized by this chapter, the increased tax rate does not apply to the tax imposed on the use or possession, *or the right to the use or possession*, of a room under a contract *that was executed before the date the increased rate takes effect and [October 1, 1989,]* that provides for the payment of the tax at the rate in effect when the contract was executed, unless the contract is subject to change or modification by reason of the tax rate increase.

(b) *This subsection applies only to a contract that provides for the payment of one or more taxes imposed on the use or possession, or the right to the use or possession, of a room that is in a hotel, including a tax authorized by Chapter 156 or 352 of this code or by Subchapter H, Chapter 334, Local Government Code. If a municipality adopts an ordinance imposing a tax under this chapter that is not imposed at any rate before the effective date of the tax prescribed by the ordinance, the imposition of the tax does not apply to the use or possession, or the right to the use or possession, of a room under a contract executed before the date the imposition of the tax takes effect, unless the contract is subject to change or modification by reason of the imposition of the new tax.*

(c) The tax rate applicable to the use or possession, *or the right to the use or possession*, of a room under a ~~the~~ contract described by Subsection (a) is the rate in effect when the contract was executed. *Notwithstanding Section 351.002(a), no tax is imposed under this chapter on the use or possession, or the right to the use or possession, of a room under a contract described by Subsection (b).*

SECTION 4. Section 351.101(a), Tax Code, as amended by Chapters 666 (H.B. 3772) and 979 (H.B. 3615), Acts of the 84th Legislature, Regular Session, 2015, is reenacted and amended to read as follows:

(a) Revenue from the municipal hotel occupancy tax may be used only to promote tourism and the convention and hotel industry, and that use is limited to the following:

(1) the acquisition of sites for and the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of convention center facilities or visitor information centers, or both;

(2) the furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants;

(3) advertising and conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the municipality or its vicinity;

(4) the encouragement, promotion, improvement, and application of the arts, including instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design and allied fields, painting, sculpture, photography, graphic and craft arts, motion pictures, radio, television, tape and sound recording, and other arts related to the presentation, performance, execution, and exhibition of these major art forms;

(5) historical restoration and preservation projects or activities or advertising and conducting solicitations and promotional programs to encourage tourists and convention delegates to visit preserved historic sites or museums:

(A) at or in the immediate vicinity of convention center facilities or visitor information centers; or

(B) located elsewhere in the municipality or its vicinity that would be frequented by tourists and convention delegates;

(6) for a municipality located in a county with a population of one million or less, expenses, including promotion expenses, directly related to a sporting event in which the majority of participants are tourists who substantially increase economic activity at hotels and motels within the municipality or its vicinity;

(7) subject to Section 351.1076, the promotion of tourism by the enhancement and upgrading of existing sports facilities or fields~~[-including facilities or fields for baseball, softball, soccer, flag football, and rodeos,]~~ if:

(A) the municipality owns the facilities or fields;

(B) the municipality:

(i) has a population of 80,000 or more and is located in a county that has a population of 350,000 or less;

(ii) has a population of at least 75,000 but not more than 95,000 and is located in a county that has a population of less than 200,000 but more than 160,000;

(iii) has a population of at least 36,000 but not more than 39,000 and is located in a county that has a population of 100,000 or less that is not adjacent to a county with a population of more than two million;

(iv) has a population of at least 13,000 but less than 39,000 and is located in a county that has a population of at least 200,000;

(v) has a population of at least 70,000 but less than 90,000 and no part of which is located in a county with a population greater than 150,000;

(vi) is located in a county that:

(a) is adjacent to the Texas–Mexico border;

(b) has a population of at least 500,000; and

(c) does not have a municipality with a population greater than 500,000;

(vii) has a population of at least 25,000 but not more than 26,000 and is located in a county that has a population of 90,000 or less;

(viii) ~~[(ix)]~~ is located in a county that has a population of not more than 300,000 and in which a component university of the University of Houston System is located; or

(ix) ~~[(x)]~~ has a population of at least 40,000 and the San Marcos River flows through the municipality; and

(C) the sports facilities and fields have been used, in the preceding calendar year, a combined total of more than 10 times for district, state, regional, or national sports tournaments;

(8) for a municipality with a population of at least 70,000 but less than 90,000, no part of which is located in a county with a population greater than 150,000, the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of a coliseum or multiuse facility;

(9) signage directing the public to sights and attractions that are visited frequently by hotel guests in the municipality;

(10) the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of a coliseum or multiuse facility, if the municipality:

(A) has a population of at least 90,000 but less than 120,000; and

(B) is located in two counties, at least one of which contains the headwaters of the San Gabriel River; and

(11) for a municipality with a population of more than 175,000 but less than 225,000 that is located in two counties, each of which has a population of less than 200,000, the construction, improvement, enlarging, equipping, repairing, operation, and main-

tenance of a coliseum or multiuse facility and related infrastructure or a venue, as defined by Section 334.001(4), Local Government Code, that is related to the promotion of tourism.

SECTION 5. Section 352.0031, Tax Code, is amended to read as follows:

Sec. 352.0031. **PREEXISTING CONTRACTS.** (a) If a county increases the rate of the tax authorized by this chapter, the increased tax rate does not apply to the tax imposed on the use or possession, *or the right to the use or possession*, of a room under a contract *that was executed before the date the increased rate takes effect and* ~~October 1, 1989,~~ that provides for the payment of the tax at the rate in effect when the contract was executed, unless the contract is subject to change or modification by reason of the tax rate increase.

(b) *This subsection applies only to a contract that provides for the payment of one or more taxes imposed on the use or possession, or the right to the use or possession, of a room that is in a hotel, including a tax authorized by Chapter 156 or 351 of this code or by Subchapter H, Chapter 334, Local Government Code. If the commissioners court of a county adopts an order or resolution imposing a tax under this chapter as authorized by Section 352.002 and the tax was not imposed at any rate before the effective date of the tax prescribed by the order or resolution, the imposition of the tax does not apply to the use or possession, or the right to the use or possession, of a room under a contract executed before the date the imposition of the tax takes effect, unless the contract is subject to change or modification by reason of the imposition of the new tax.*

(c) The tax rate applicable to the use or possession, *or the right to the use or possession*, of a room under a ~~the~~ contract described by Subsection (a) is the rate in effect when the contract was executed. *Notwithstanding Section 352.002, no tax is imposed under this chapter on the use or possession, or the right to the use or possession, of a room under a contract described by Subsection (b).*

SECTION 6. To the extent of any conflict, this Act prevails over another Act of the 85th Legislature, Regular Session, 2017, relating to nonsubstantive additions to and corrections in enacted codes.

SECTION 7. This Act takes effect September 1, 2017.

Passed by the House on April 20, 2017: Yeas 142, Nays 2, 2 present, not voting; passed by the Senate on May 19, 2017: Yeas 31, Nays 0.

Approved May 29, 2017.

Effective September 1, 2017.

**REQUIRED QUALIFICATIONS FOR SERVING AS PRESIDENT
OF THE UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE
CENTER AT FORT WORTH AND TO THE PROHIBITION
AGAINST THE AWARD OF CERTAIN DEGREES BY THE
CENTER'S GOVERNING BOARD**

CHAPTER 268

H.B. No. 1913

AN ACT

relating to the required qualifications for serving as president of the University of North Texas Health Science Center at Fort Worth and to the prohibition against the award of certain degrees by the center's governing board.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Section 105.102(b), Education Code, is amended to read as follows:

(b) The board shall appoint a president of each component institution who serves as